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## **Georgia Sales & Use Tax Informational Bulletin**

### **Partial Sales & Use Tax Exemption for Natural Gas & Liquid Propane**

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**December 20, 2005**

Since liquid propane gas and natural gas are essential commodities used by Georgians to heat their homes and because of the substantial rise in the price of liquid propane gas and natural gas, Governor Sonny Perdue issued an Executive Order on December 19, 2005, that provides for a temporary partial exemption of state sales and use tax as applied to certain liquid propane gas commodity sales and charges for the natural gas commodity billed for residential use.

The Governor's Executive Order provides a temporary partial exemption equal to half (2%) of the four percent (4%) state sales and use tax rate imposed under O.C.G.A. § 48-8-30 as that tax applies to liquid propane gas commodity sold and delivered primarily for residential heating purposes and to charges for the natural gas commodity billed for residential use. The partial exemption period for liquid propane gas commodity begins with deliveries occurring on or after January 1, 2006 and lasts until the General Assembly acts upon the Governor's Order. The partial exemption for the natural gas commodity billed for residential use begins with all billing cycles initiated on or after January 1, 2006 and lasts until the General Assembly acts upon the Governor's Order.

The partial exemption does not extend to any local sales or use taxes. Also, the partial exemption does not apply to commercial, manufacturing, or other business activities.

With respect to charges for the natural gas commodity billed for residential use, the partial exemption only applies to charges for the commodity itself and does not apply to other enumerated charges, such as base charges or customer services charges. Also, the tax relief provide under this Executive Order for charges for the natural gas commodity billed for residential use should be credited or otherwise reflected on a consumer's natural gas bill as soon as practicable by natural gas dealers.

The Department will provide additional guidance in the near future regarding the administration of this exemption, including any reporting requirements.

#### **FOR MORE INFORMATION**

For forms and other information, visit our Internet site at [www.etax.dor.ga.gov](http://www.etax.dor.ga.gov) or call the Taxpayer Services Division, 8:00 a.m., to 4:30 p.m., ET, Monday through Friday, excluding holidays, at 404-417-6710.

Persons with hearing or speech impairments may call our TDD at 404-417-4302.